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## **CSI PROPERTIES LIMITED**

**資本策略地產有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 497)**

### **SALE OF OFFICE PREMISES**

### **CONNECTED TRANSACTION**

On 10 April 2015, Excess Gain, a subsidiary of the Company, entered into the Provisional Agreement with the Purchaser for the sale of the Property, which is an office premises in Henan Building in Hong Kong. The consideration is HK\$4,950,176.00 payable in cash.

The sale of the Property constitutes a connected transaction for the Company. It is subject to reporting and announcement requirements but exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **A. THE PROVISIONAL AGREEMENT**

The material terms of the Provisional Agreement dated 10 April 2015 are set out below.

##### **Parties:**

Vendor: Excess Gain Company Limited, a wholly-owned subsidiary of the Company.

Purchaser: Apex Mark International Limited, which is wholly-owned by Mr. Fong Man Bun, Jimmy, an executive Director of the Company.

\* For identification purpose only

**Property to be disposed of:**

The Property comprises a portion of the 14th Floor (to be designated as Unit 08 on the 14th Floor), Henan Building, Nos. 90 & 92 Jaffe Road, Nos. 15-19 Luard Road, Hong Kong. It has a saleable floor area of approximately 26.6 square meters (or 286 square feet).

The Property is amongst those 13 storeys in Henan Building acquired in July 2014 by the Group for upgrading pending sale as mentioned below.

**Consideration:**

The total consideration for the Property is HK\$4,950,176.00, representing in effect approximately HK\$17,308.31 per square feet.

An initial deposit of HK\$247,508.80 was paid by the Purchaser upon signing of the Provisional Agreement. A further deposit of HK\$247,508.80 will be payable on or before 28 April 2015, by which a formal sale and purchase agreement would be entered into by the parties to provide for detailed terms of the Disposal. A part payment of HK\$247,508.80 will be payable on or before 28 May 2015. The remaining balance of HK\$4,207,649.60 will be payable upon completion of the Disposal on or before 30 October 2015.

The consideration and terms of disposal have been arrived at after arm's length negotiations between the parties. The Group agreed to the consideration after considering, among other things, the selling prices and the terms of the other neighbouring units on the 14th Floor in Henan Building which the Group has recently contracted to sell.

**Completion:**

Completion of the Disposal shall take place on or before 30 October 2015. Vacant possession of the Property will be delivered to the Purchaser on completion.

**B. REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Company is an investment holding company. The principal activities of its principal subsidiaries include property investment, repositioning and development.

The Property is amongst those 13 storeys in Henan Building acquired in July 2014. The Group is soon to complete most of the refurbishment and upgrading works for these properties, all of which (including the Property) the Group has contracted to sell. The original acquisition cost of the Property to the Group is approximately HK\$3.32 million.

The Directors (including the independent non-executive Directors) consider that the Disposal is made on normal commercial terms in the ordinary and usual course of business of the Group. They are also of the view that the terms of the Disposal are fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

The carrying value of the Property in the internal unaudited management accounts of the Group made up to 31 March 2015 was approximately HK\$3.39 million. No profit or revenue attributed to the Property has been recorded by the Group for the two financial years of the Company immediately preceding the date of the Provisional Agreement.

The gain expected to accrue to the Group from the Disposal is approximately HK\$1.56 million, subject to auditing of the financial statements of the Group for the financial year ending 31 March 2016. The estimated gain represents the difference between the consideration receivable for the Disposal and the carrying value of the Property and the relevant taxes and fees expected to be payable by the Group in respect of the Disposal. Net proceeds from the Disposal is estimated to be approximately HK\$3.65 million which is intended to be used for general working capital of the Group.

## **C. GENERAL**

The Purchaser is wholly-owned by Mr. Fong Man Bun, Jimmy, an executive Director of the Company. Accordingly, the Purchaser is a connected person of the Company and the Disposal constitutes a connected transaction for the Company under the Listing Rules. Mr. Fong had abstained from voting on the relevant resolutions of the Board on the Disposal.

The highest of the applicable percentage ratios in respect of the Disposal calculated under Chapter 14 of the Listing Rules exceeds the de minimis thresholds under Rule 14A.76 (1) but all of them are still less than 5% under Rule 14A.76(2)(a). Accordingly, the Disposal is subject to the notification and announcement requirements but exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **D. DEFINITIONS**

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

|                       |  |
|-----------------------|--|
| “Board”               | the board of Directors   |
| “Company”             | CSI Properties Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange |
| “connected person(s)” | has the meaning ascribed thereto in the Listing Rules  |
| “Director(s)”         | the director(s) of the Company   |
| “Disposal”            | the proposed disposal of the Property pursuant to the terms of the Provisional Agreement   |
| “Excess Gain”         | Excess Gain Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company   |

|                         |  |
|-------------------------|--|
| “Group”                 | the Company and its subsidiaries   |
| “Listing Rules”         | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Property”              | a portion of the 14th Floor (to be designated as Unit 08 on the 14th Floor), Henan Building, Nos. 90 & 92 Jaffe Road & Nos. 15-19 Luard Road, Hong Kong  |
| “Provisional Agreement” | the provisional agreement for sale and purchase dated 10 April 2015 entered into between Excess Gain as the vendor and the Purchaser as the purchaser in relation to the sale and purchase of the Property |
| “Purchaser”             | Apex Mark International Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by Mr. Fong Man Bun, Jimmy, an executive Director of the Company                           |
| “Shareholder(s)”        | the shareholder(s) of the Company  |
| “Stock Exchange”        | The Stock Exchange of Hong Kong Limited  |

By Order of the Board  
**CSI Properties Limited**  
**Chan Suet Kwan**  
*Company Secretary*

Hong Kong, 13 April 2015

*As at the date of this announcement, Mr. Chung Cho Yee, Mico (Chairman), Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Wong Chung Kwong and Mr. Fong Man Bun, Jimmy are the executive directors of the Company, and Dato’ Wong Sin Just, Dr. Lam Lee G., Mr. Cheng Yuk Wo and Dr. Lo Wing Yan, William are the independent non-executive directors of the Company.*